

Senate File 2287 - Reprinted

SENATE FILE 2287
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO SSB 3088)

(As Amended and Passed by the Senate March 2, 2022)

A BILL FOR

1 An Act relating to used catalytic converter transactions,
2 providing penalties, and making penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 714.1, subsection 4, Code 2022, is
2 amended to read as follows:

3 4. Exercises control over stolen property, knowing such
4 property to have been stolen, or having reasonable cause to
5 believe that such property has been stolen, unless the person's
6 purpose is to promptly restore it to the owner or to deliver it
7 to an appropriate public officer. The fact that the person is
8 found in possession of property which has been stolen from two
9 or more persons on separate occasions, or that the person is a
10 dealer or other person familiar with the value of such property
11 and has acquired it for a consideration which is far below its
12 reasonable value, or that the person violated section 714.27A
13 in a transaction involving the property, shall be evidence
14 from which the court or jury may infer that the person knew or
15 believed that the property had been stolen.

16 Sec. 2. Section 714.27, subsection 1, paragraph a, Code
17 2022, is amended to read as follows:

18 a. "*Scrap metal*" means any metal suitable for reprocessing.
19 "*Scrap metal*" does not include a motor vehicle, ~~but does include~~
20 or a catalytic converter detached from a motor vehicle.

21 Sec. 3. Section 714.27, subsection 5, paragraph a, Code
22 2022, is amended to read as follows:

23 a. Transactions in which the total sale price is fifty
24 dollars or less, ~~except transactions for the sale of catalytic~~
25 ~~converters.~~

26 Sec. 4. Section 714.27, subsection 5, paragraph b, Code
27 2022, is amended by striking the paragraph.

28 Sec. 5. NEW SECTION. 714.27A Used catalytic converter
29 transactions — reporting — penalties.

30 1. For purposes of this section:

31 a. "*Business transaction*" means an exchange of consideration
32 for a catalytic converter between a scrap metal dealer, as
33 defined in section 714.27, and another scrap metal dealer,
34 an authorized vehicle recycler licensed under chapter 321H
35 operating a business at a fixed location, a motor vehicle

1 dealer licensed under chapter 322 operating a business at a
2 fixed location, a towable recreational vehicle dealer licensed
3 under chapter 322C operating a business at a fixed location, a
4 mechanic or an automotive repair facility operating a business
5 at a fixed location, or a person operating a similar business
6 at a fixed location in another state.

7 *b.* "Catalytic converter" means a catalytic converter that
8 was previously installed in a motor vehicle and subsequently
9 removed.

10 2. *a.* A person shall not sell a catalytic converter in
11 this state unless the person provides to the purchaser, at or
12 before the time of sale, the person's name, address, and place
13 of business, if any, and presents to the purchaser a valid
14 driver's license or nonoperator's identification card, military
15 identification card, passport, or other government-issued photo
16 identification.

17 *b.* For a business transaction in which the person selling
18 the catalytic converter operates a business at a fixed location
19 in this state, the person shall provide to the purchaser a
20 copy of the person's valid sales tax permit issued pursuant to
21 chapter 423. For a business transaction in which the person
22 selling the catalytic converter operates a business at a fixed
23 location in another state and is authorized to conduct a
24 business transaction in this state, the person shall provide
25 to the purchaser a copy of the person's valid sales tax permit
26 issued pursuant to chapter 423, if the person has such a
27 permit, or a copy of the person's valid business license or
28 permit from the other state. If a person is unable to provide
29 the documentation required in this paragraph, the person shall
30 instead comply with paragraph "c".

31 *c.* For transactions other than business transactions, the
32 person selling the catalytic converter shall provide to the
33 purchaser an original receipt or invoice for a replacement
34 catalytic converter purchased fewer than thirty days before the
35 person sells the replaced catalytic converter, or a junking

1 certificate for a vehicle that was issued fewer than thirty
2 days before the person sells the catalytic converter.

3 (1) The receipt, invoice, or junking certificate presented
4 by the person to the purchaser must be unmarked by a purchaser
5 pursuant to subsection 3.

6 (2) This paragraph does not apply to a transaction if the
7 person presents proof, unmarked pursuant to subsection 3, to
8 the purchaser that the sale is approved by the sheriff of the
9 county in which the vehicle from which the catalytic converter
10 was removed is registered.

11 3. *a.* A person shall not purchase a catalytic converter
12 from a seller without demanding and receiving the information
13 required by subsection 2.

14 *b.* A person who purchases a catalytic converter shall mark
15 the receipt, invoice, junking certificate, or proof of sheriff
16 approval presented under subsection 2 to indicate the catalytic
17 converter has been sold. The person shall take a photograph
18 of the catalytic converter that clearly identifies the item as
19 a catalytic converter.

20 *c.* A person who purchases a catalytic converter shall have a
21 residence or fixed business address within this state.

22 4. A person who purchases a catalytic converter shall keep
23 a confidential register or log of each transaction, including a
24 copy of the information required by subsections 2, 3, and 5.
25 All records and information kept pursuant to this subsection
26 shall be retained for at least two years, and shall be provided
27 to a law enforcement agency or other officer or employee
28 designated by a county or city to enforce this section upon
29 request during normal business hours when the law enforcement
30 agency or designated officer or employee of a county or city
31 has reasonable grounds to request such information as part
32 of an investigation. A law enforcement agency or designated
33 officer or employee of a county or city shall preserve the
34 confidentiality of the information provided under this
35 subsection and shall not disclose it to a third party, except

1 as may be necessary in enforcement of this section or the
2 prosecution of a criminal violation.

3 5. A transaction under this section shall be made by check
4 or electronic funds transfer.

5 6. A person, including a person who conducts a business
6 transaction on behalf of another person, who violates this
7 section shall be subject to a civil penalty as follows:

8 a. For an initial violation, one thousand dollars.

9 b. For a second violation within two years, five thousand
10 dollars.

11 c. For a third or subsequent violation within two years, ten
12 thousand dollars.

13 7. Proof that a person, including a person who conducted
14 a business transaction on behalf of another person, violated
15 subsection 2 or 3 shall be evidence from which the court or
16 jury may infer any of the following:

17 a. The person aided and abetted the underlying theft of the
18 catalytic converter involved in the transaction from a vehicle,
19 under section 703.1.

20 b. The person had knowledge that a public offense has been
21 committed and that a certain person committed it, for purposes
22 of proving the person acted as an accessory after the fact
23 under section 703.3.

24 Sec. 6. Section 805.8C, Code 2022, is amended by adding the
25 following new subsection:

26 NEW SUBSECTION. 10A. *Used catalytic converter transaction*
27 *violations.* For violations of section 714.27A, the scheduled
28 fine is one thousand dollars for a first violation, five
29 thousand dollars for a second violation within two years,
30 and ten thousand dollars for a third or subsequent violation
31 within two years. The scheduled fine under this subsection
32 is a civil penalty which shall be deposited into the general
33 fund of the county or city if imposed by a designated officer
34 or employee of a county or city, or deposited in the general
35 fund of the state if imposed by a state agency, and the crime

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1 services surcharge under section 911.1 shall not be added to
2 the penalty.